

STATEMENT OF CONSIDERATIONS

REQUEST BY ROHM AND HAAS COMPANY FOR AN ADVANCE WAIVER OF
PATENT RIGHTS UNDER DOE COOPERATIVE AGREEMENT NO. DE-FG36-
04G014317; W(A)-04-061; CH-1240

As set out in the attached waiver petition and in subsequent discussions with DOE Patent Counsel, Rohm and Haas Company (Rohm and Haas) has requested an advance waiver of domestic and foreign patent rights for all subject inventions made under the above-identified cooperative agreement by its employees and its subcontractors' employees, regardless of tier, except inventions made by subcontractors eligible to retain title to inventions pursuant to P.L. 96-517, as amended, and National Laboratories. Rohm and Haas is leading a teaming arrangement with the Eastman Chemical Company, the Virginia Polytechnic Institute and State University, and the U.S. Department of Agriculture Eastern Regional Research Center to develop a novel bio-based chemistry to create products which can replace petrochemical-based polyurethane technology.

Referring to item 2 of Rohm and Haas' waiver petition, the work under this agreement encompasses utilizing carbon Michael based reaction chemistry using bio-based raw materials to develop adhesives and packaging products having many, if not all, of the performance attributes of polyurethanes without the toxicity and other difficulties which must be addressed with polyurethanes. It is anticipated that using bio-based raw materials should result in better price stability, reduced greenhouse gas emissions, and improvement in the rural economy, as well as the other benefits noted above.

The work under this agreement is expected to take place over a period of two years at a total cost of \$2,894,156. Rohm and Haas is obligated to cost share \$894,156, or about 31 percent of the total cost of the project.

In view of the cost sharing and other equities between Rohm and Haas and its subcontractors, it is anticipated that the parties will develop an appropriate allocation of patent rights among the participants to facilitate the expeditious development of the technology forming the subject matter of the agreement. Accordingly, DOE will waive title to all subject inventions made by Rohm and Haas' employees and its subcontractors' employees, regardless of tier, except inventions made by subcontractors eligible to retain title pursuant to P.L. 96-517, as amended, or National Laboratories, to Rohm and Haas or its subcontractors, as mutually agreed by the parties. Except as otherwise approved in writing by DOE Patent Counsel, a party's acceptance of a subcontract under this agreement, at any tier, shall constitute Rohm and Haas' certification that it has provided that party with a copy of this Statement of Considerations and that party's notice to DOE that it accepts the terms and conditions of this advance waiver. Additionally, subcontractors who receive title under this waiver shall notify DOE Patent Counsel in writing of such disposition of patent rights.

Referring to items 5-9 of Rohm and Haas' waiver petition, Rohm and Haas' is an industry leader in adhesives and packaging technologies. This, coupled with Rohm and Haas' cost sharing, clearly demonstrates the likelihood that Rohm and Haas will continue development and commercialization of the results of this agreement.

This advance waiver of the Government's rights to inventions is subject to the provisions of the attached patent waiver clause, and the government license, march-in rights, and preference for U.S. industry provisions set out in 35 U.S.C. 202-204. The advance patent waiver also includes a U.S. Competitiveness clause (paragraph t) which requires products embodying any waived invention or produced through the use of any waived invention be manufactured substantially in the United States unless the participant can show to the satisfaction of DOE that it is not commercially feasible to do so. The Contractor further agrees to make the above condition binding on any assignee, licensee, or other entity acquiring rights to any waived invention, including subsequent assignees or licensees. Should the Contractor or other such entity receiving rights in any waived invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license, or other transfer of rights in the waived invention is suspended until approved in writing by DOE.

Referring to item 10 of the waiver petition, granting this waiver is not anticipated to have any adverse impact on competition as there are a variety of competing technologies in the relevant adhesive and packaging markets.

Considering the foregoing, it is believed that granting this waiver will provide Petitioner with the necessary incentive to invest its resources in the commercialization of the results of the agreement in a fashion which will make the technology available to the public in the shortest practicable time. Therefore, upon evaluation of the waiver petition and in view of the objectives and considerations set forth in 10 CFR 784, all of which have been considered, it is recommended that the requested waiver be granted.


Thomas G. Anderson
Assistant Chief Counsel
Intellectual Property Law Division

Date: 12-7-04


Based upon the foregoing Statement of Considerations and representations in the attached waiver petition, it is determined that the interests of the United States and the general public will best be served by a waiver of patent rights of the scope described above, and therefore the waiver is granted. This waiver will not apply to any modification or extension of the cooperative agreement, where through such modification or extension, the purpose, scope or cost of the cooperative agreement has been substantially altered.

CONCURRENCE:


Douglas E. Kaempf, Director
Office of Biomass Program, EE-2E

Date: 1/13/05

APPROVAL:


Paul A. Gottlieb
Assistant General Counsel for
Technology Transfer and Intellectual
Property, GC-62

Date: 1-28-05

(t) U. S. COMPETITIVENESS The Contractor agrees that any products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States unless the Contractor can show to the satisfaction of the DOE that it is not commercially feasible to do so. In the event the DOE agrees to foreign manufacture, there will be a requirement that the Government's support of the technology be recognized in some appropriate manner, e.g., recoupment of the Government's investment, etc. The Contractor agrees that it will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements. Should the Contractor or other such entity receiving rights in the invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license, or other transfer of rights in the waived invention is suspended until approved in writing by the DOE.

WAIVER ACTION - ABSTRACT

W(A)-04-061 (CH-1240)

REQUESTOR

Rohm and Haas
Company Under
DOE Cooperative
Agreement
No. DE-FG36-04GO14317

CONTRACT SCOPE OF WORK

New Sustainable Chemistry for
Adhesives, Elastomers, and Foams

RATIONALE FOR DECISION

31% cost sharing

DISPOSITION